

Zero Announces Share Split and Revision of Dividend Forecast

May 15, 2006

Company name: ZERO Co.,Ltd.

Code No: 9028

Tokyo Stock Exchange (Second Section)

(URL <http://www.zero-nichiriku.co.jp/>)

Representative: CEO & President

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Split of the Company's shares and revision of dividend forecast on the fiscal year ending June, 2006 have been resolved at the board of directors meeting held on May 15th, 2006, as follows.

1. Share split

(1) Purpose of share split

With lowering the investment unit of the Company's shares by share split, aimed to increase liquidity of shares of the Company and to broaden the range of shareholders.

(2) Outline of share split

a. Process of split

Effective the base date of May 31st (Wednesday), 2006, the number of shares owned by shareholders will be split at a rate of three to one.

b. Increase in number of shares by split

The number of shares shall be common share and the total number of shares issued lastly on May 31st (Wednesday), 2006 shall be multiplied by two.

(3) Schedule

- | | |
|----------------------------|--|
| • Base date of share split | May 31 st (Wednesday), 2006 |
| • Effective date | June 1 st (Thursday), 2006 |
| • Share certificate issue | July 21 st (Friday), 2006 |

(4) Increase of authorized number of shares

Upon share split as above, Article 5 of the Company's Articles of Incorporation shall be amended on June 1st, 2006 in accordance with Article 184, 2 of the Company Law. The authorized number of shares shall be increased by 40,000,000 shares to 60,000,000 shares.

(5) Other necessary matters for this share split shall be determined at future board of directors meeting.

【 Reference 】

(1) The reason for not specifying the detailed number of shares to be increased is because it is possible that the issued number of shares might increase by execution of stock option (stock acquisition rights) between the date of this board of directors meeting and the base date of share split, furthermore the actual issued number of shares will not be determined until the base date of share split.

(2) The issued number of shares after share split is calculated based on the issued number of shares as of April 30th, 2006 as follows.

a. Current issued number of shares	5,839,414 shares
b. Number of shares to be added	11,678,828 shares
c. a+b	17,518,242 shares

(3) There is no additional capital for this split.

Capital as of April 30th, 2006 ¥ 3,384,141,450

(4) Adjustment of Exercise Price

Upon share split at this time, when exercising stock option (stock acquisition rights) of the Company, the Exercise Price will be adjusted as follows after June 1st, 2006.

Description	Exercise Price after adjustment	Exercise Price before adjustment
First stock option(stock acquisition rights)	¥317	¥950

2. Revision of dividend forecast at the end of fiscal year June, 2006

(1) Reason for revision of dividend forecast

In accordance with the share split above, dividend forecast per share will be revised based on the split ratio.

(2) Content of revision

	Final dividend
Previous release forecast	¥13.00
Current revision forecast	¥4.00

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